REMARKS/ARGUMENTS

1. Request for Continued Examination:

The applicant respectfully requests continued examination of the above-indicated application as per 37 CFR 1.114.

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The amendments made to the claims in the above section are over the last entered amendment filed August 8, 2006.

2. Rejection of claims 1-20 under 35 U.S.C. 103(a):

10   Claims 1-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ham (US 2002/0196218) in view of Lee (US 2003/0098839).

Response:

Claims 1-10 have been cancelled, and are no longer in need of consideration.
15   In addition, claims 11 and 16 have been amended to overcome these rejections. Claims 11 and 16 now each specify that a comparison circuit compares P MSB of a current M-bit image data with the N-bit delayed image data to determine a result value. A lookup table (LUT) is also used for outputting an M-bit image value in accordance with the P MSB and the N-bit delayed image data. Claim 11
20   specifies that a multiplexer is used for outputting the M-bit image value _when the result value indicates that the P MSB of the current M-bit image data and the N-bit delayed image data are not equal, and for_ outputting the M-bit image data _when the result value indicates that the P MSB of the current M-bit image data and the N-bit delayed image data are equal_. Similarly, claim 16 specifies that a
25   multiplexer is used for outputting Q least significant bits (LSB) of the image value _when the result value indicates that the P MSB of the current M-bit image data and the N-bit delayed image data are not equal, and for_ outputting Q LSB of the M-bit image data _when the result value indicates that the P MSB of the current M-bit image data and the N-bit delayed image data are equal_.
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In other words, in the claimed invention, the multiplexer only utilizes the

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image value provided by the LUT when the P MSB of the current M-bit image data and the N-bit delayed image data are not equal. If the data values are equal, then the original M-bit image data will be used. These amendment to claims 11 and 16 are fully supported in paragraphs [0028] and [0029] of the specification as

5   well as Figure 4, and no new matter is added

On the other hand, Ham teaches in Figure 9 and in paragraphs [0083] to [0085] that the modulated data provided by the LUT 95 is used as long as the difference between the most significant bit data of two successive frames is not

10   equal to "1". Therefore, Ham does not teach that the image value provided by the LUT is used when the result value indicates that the P MSB of the current M-bit image data and the N-bit delayed image data **are not equal**, and that the image data is used when the result value indicates that the P MSB of the current M-bit image data and the N-bit delayed image data **are equal**, as is recited in currently

15   amended independent claims 11 and 16.

For these reasons, the combination of Ham and Lee fails to teach all of the limitations of claims 11 and 16. Claims 12-15 and 17-20 are dependent on claims 11 and 16, and should be allowed if claims 11 and 16 are allowed.

20   Reconsideration of claims 11-20 is respectfully requested.

Applicant respectfully requests that a timely Notice of Allowance be issued in this case.

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Sincerely yours,

Winston Hsu   Date: _____01/09/2007_____

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10 Note: Please leave a message in my voice mail if you need to talk to me. (The time in
    D.C. is 13 hours behind the Taiwan time, i.e. 9 AM in D.C. = 10 PM in Taiwan.)

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